

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 140867)

RESOLUTION

Authorizing the Council of the City of Philadelphia to hold hearings to investigate the cost and savings of changes made to the healthcare benefits for exempt employees of the City of Philadelphia.

WHEREAS, More than one-sixth of the U.S. economy is devoted to health care spending and that percentage continues to rise every year; and

WHEREAS, In 2012, the U.S. spent an average of \$8,915 per person on health care; and

WHEREAS, Employers across the nation have begun to explore innovative solutions to control the rising cost of healthcare for their employees; and

WHEREAS, The City of Philadelphia offers one the region's most generous health insurance benefits package to its employees and is considered by the industry to be a "Cadillac Plan"; and

WHEREAS, Beginning in January 2015, the City of Philadelphia ("City") has decided to attempt to control the personal choices of exempt employees and their spouses by instituting a penalty on those who use tobacco products; and

WHEREAS, The new changes will add a \$500 annual premium to benefit costs for exempt employees, or their spouse, who used tobacco products in the prior 12 months, increasing their health insurance premiums by about \$19.23 per pay; and

WHEREAS, The City has also decided to participate in an exclusive tobacco free preferred health prescription network comprised of CVS Pharmacy and any other pharmacy who chooses to join the network and does not sell tobacco products; and

WHEREAS, An exempt City employee will be required to pay a \$15 surcharge for prescriptions filled at pharmacies that are not within this health prescription network; and

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WHEREAS, Currently, there are no CVS pharmacies in approximately 30 zip codes within the City of Philadelphia; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Council of the City of Philadelphia hold hearings to investigate the cost and savings of changes made to the healthcare benefits for exempt employees of the City of Philadelphia.

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CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the thirtieth day of October, 2014.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Greenlee for Council President Clarke

Sponsored by: Councilmember Greenlee